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and fire protection. All other functions will be covered by the central budget. These include enterprises of significance to the national economy, higher education, specialized and vocational education, and all public institutions of national importance. The central budget will cover expenditures for national defense and security, justice, expenditures of state authorities, service changes on the national debt, financing of state stockpiles, and for setting up a general budgetary reserve.

The portion of investments to be covered by the state budget will be itemized under the section of the budget which applies to the given enterprises, bureau, or institution.

Local people's councils will receive the entire income from property under their jurisdiction and from enterprises financed by local budgets. They will also receive income from local taxes, except in the case of the land tax. In addition, they will be assigned a portion of the following: land tax, entrepreneurial income tax, turnover tax, war profits tax, fines. Income from the State Land Fund and the Local Housing Fund will be allocated entirely to local budgets.

Expenditures and income under the above headings will be balanced according to a chart indicating the share of each locality in the national budget. Planned deficits will be covered by the Equalization Fund of the central budget. The Equalization Fund will also be used to cover unforeseen contingencies.

#### Organization of State Budget

On the expenditure side, the state budget distinguishes between specific economic aims and indicates organizations responsible for carrying out these aims. A separate group covers salaries, pensions, and annuities, which comprise personal income.

Expenditures of the central budget will comprise the following main subdivisions: national economy, social welfare, national defense, justice, national debt, equalization funds, reserves, etc.

Income will be subdivided according to type and source.

On the income side, state enterprises operating on the principle of inter-account settlements will participate in the state budget through tax payments, profits paid into the state budget, and surplus working capital. On the expenditure side, they will be represented through financing of working capital deficits, financing of investments deficits, and planned losses.

#### Drawing up of State Budget

The state budget for 1951 will be worked out within limits set up for expenditures and income. Preliminary estimates will be determined by the Council of Ministers on the recommendation of the Minister of Finance in agreement with the chairman of the State Economic Planning Commission. They will be based on index numbers used in the Six-Year Plan and will be expressed as percentage changes over 1950 expenditures. The preliminary budget will be proposed to the Sejm by 31 December 1950.

#### Execution of State Budget

The Polish National Bank will serve as financing medium for the state budget, both central and local. It will also cooperate in the preliminary auditing of accounts.

The management of units covered by the budget will be based on the approved plans covering income and expenditures. Allocation of credits provided for by the state budget will be carried out by the administrative department responsible for the given activity.

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Local financial organizations will audit pertinent budgetary activities covered by the central budget as well as by the local budget. Activities coming under the local budget will also be supervised by the local people's councils. This will be followed up with a general audit by the proper department of the Ministry of Finance.

Allocated funds which remain unused through economies in operation will be credited to reserves to be included in the plan for the following year.

#### Executive Orders

By 20 April 1950, the ministers, in agreement with the chairman of the State Economic Planning Commission, are required to classify their subordinate agencies according to central and local budgets.

By 20 April 1950, the ministers are to submit to the Minister of Finance percentage data to be used in modifying index numbers from the Six-Year Plan, applicable to planning for 1951. These data will be expressed as percentages of index numbers used for the 1950 plan.

By 20 April 1950, the Minister of Finance is required to submit outlines of the system for financing enterprises, for financing working capital, and for financing investments and capital replacements. By that time, the Minister of Finance will also submit preliminary budget limits broken down according to agencies and activities.

On the basis of the preliminary limits, the respective ministers will have until 31 May 1950 to submit final quotas, itemized and broken down according to agencies and local and central budgets.

The Minister of Finance, in agreement with the chairman of the State Planning Commission, will submit the final budget limits for the central and wojewodztwo budgets by 15 June 1950.

By 31 May 1950, the Minister of Finance will issue specific instructions on drawing up the preliminary budget and will submit a plan for organizing local financing agencies.

By 30 September 1950, the Minister of Finance will issue accounting and payment procedures applicable to the central and local budgets. By 30 June 1950, the Minister of Finance will submit a bill on the Equalization Fund for local budgets.

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